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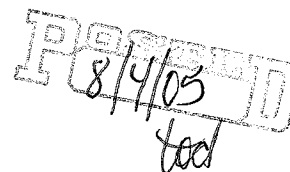
DAN F. ARNETT  
CHIEF OF STAFF

KATIE C. MORGAN  
DIRECTOR  
TELECOMMUNICATIONS, TRANSPORTATION, WATER/WASTEWATER

June 16, 2005

Mr. Charles Terreni  
Chief Clerk of the Commission  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, SC 29211

92-110-C



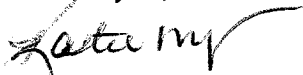
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SO PUBLIC SERVICE  
COMMISSION

Re: Dual Party Funding Issues

Dear Mr. Terreni:

As you are aware, the Office of Regulatory Staff took over the Telecommunications Relay (TRS) Fund as of January, 2005. After meeting with the TRS Advisory Committee and evaluating the funding requirements for the upcoming year, we are requesting approval of the attached TRS Budget, a reduction in the access charge, and a request to add the CapTel service to the current program. Your expeditious review of these issues is greatly appreciated.

Thank you,

  
Katie C. Morgan

Attachments

## Attachment 1

### South Carolina Dual Party Funding

**Purpose:**

- 1) Allocate TRS funds to approved programs; and
- 2) Reduce the SC Dual Party surcharge to \$0.15/line from the current surcharge of \$0.16/line.

**Rationale:** Based on the average number of access lines in SC, it will be possible to:

- 1) reduce the current surcharge of \$0.16/line to \$0.15/line,
- 2) pay for approved projects,
- 3) retain a contingency fund for extraordinary expenses and emergency conditions, and
- 4) retain a reserve fund for potential access line reduction

#### **Available Funding for FY 05/06:**

Anticipated Carry Forward from FY 04/05: \$1,200,000

Access line calculations (With Carry Forward):

	<b><u>Current</u></b>	<b><u>Proposed</u></b>
	2,078,812 lines @ 0.16/line <sup>1</sup>	2,078,812 lines @ 0.15/line
	\$3,991,319 (Access Line Charge)	\$3,741,862
	<u>+\$1,200,000 (Carry Forward)</u>	<u>+\$1,200,000</u>
Total	<u>\$5,191,319</u>	<u>\$4,941,862</u>

<sup>1</sup> The number of access lines was calculated by taking an average number of lines based on available data to ORS Staff for the months 11/04 – 4/05. The range of data was 1,974,179 access lines (11/04) to 2,107,470 access lines (03/05) for a monthly average of 2,078,812 access lines. This average number of access lines was then multiplied by the per line rate.

**Allocation for FY 05/06:**

**FY 05/06 Funding Request**

<b>Sprint Relay</b>	<b>\$ 1,900,000</b>
<b>Instructional Closed Captioning</b>	<b>\$ 133,741</b>
<b>SC General Assembly Closed Captioning</b>	<b>\$ 175,000</b>
<b>Real-Time Closed Captioning</b>	<b>\$ 810,000</b>
<b>SC TEDP (Distribution Program)</b>	<b>\$ 521,483</b>
<b>TEDP (Equipment Purchases)</b>	<b>\$ 435,000</b>
<b>Interpreters</b>	<b>\$ 3,700</b>
<hr/>	
<b>Total Funded Programs</b>	<b><u>\$ 3,978,924</u></b>
<b>Total Contingency Fund<sup>1</sup></b>	<b>\$ 150,000</b>
<b>Total Reserve Fund <sup>2</sup></b>	<b>\$ 750,000</b>
<hr/>	
<b>Total FY 05/06 Allocation</b>	<b><u>\$ 4,878,924</u></b>

<sup>1</sup> Contingency Fund for extended Legislative Issues and Emergency Public Service Announcements (See Attachment 2 for further explanation)

<sup>2</sup> Reserve Fund for potential access line reduction

## Attachment 2

### TRS Budget Request FY 2005/06 (By Funded Program)

Sprint Relay \$1,900,000.00  
This program provides statewide TRS service for the State of South Carolina by which persons with hearing and speech disabilities are provided access to the telecommunications network in a manner that is as functionally equivalent as possible to other telecommunications customers.

Instructional Closed Captioning<sup>1</sup> \$133,741.00  
This program supports captioning of instructional and public service programming aired statewide and in school classrooms.

SC General Assembly – Closed Captioning<sup>2</sup> \$175,000.00  
This project provides closed captioning services for the hard of hearing and deaf community for sessions of the General Assembly and CART (Communication Access Real-time Translation) or interpreter services for committee meetings and public hearings.

Real-Time Closed Captioning \$810,000.00  
This program is used to maximize the ability of the hearing impaired community to access news broadcasts and emergency broadcasts in South Carolina. At least one station in each of the four media markets close caption its local news broadcasts along with pre-selected public affairs programs, and emergency news broadcasts.

SC TEDP (Distribution Program) \$521,483.00  
This program provides telecommunications equipment free of charge to South Carolina residents with qualifying disabilities.

SC TEDP (Equipment Purchases) \$435,000.00  
This program furnishes equipment for the SC TEDP (Distribution Program).

Interpreters \$ 3,700.00  
This program provides funds for interpreters during TRS Advisory Meeting and other situations needing these services related to the TRS Program.

**TOTAL** **\$3,978,924.00**

<sup>1</sup> This is the first of a two year agreement.

<sup>2</sup> This program will require a contingency fund for extended legislative issues and emergency public service announcements in the amount of \$150,000.00.

## **Attachment 3**

### **CapTel Proposal**

The ORS and SC TEDP program have received multiple requests for adding the CapTel service and equipment for individuals who are hard-of-hearing. This proposal will allow the State of South Carolina to evaluate the CapTel service and equipment for a total of 12 months beginning July 1, 2005 and ending June 30, 2006. **The time frame may be adjusted due to required approvals and contract development.**

#### **About CapTel**

CapTel users place a call in the same way as dialing a traditional phone. As users dial, the CapTel automatically connects to a captioning service. When the called party answers, the CapTel user hears everything that the called party says, just like a traditional call.

A specially trained operator at the captioning service transcribes everything the called party says into written text, using the very latest in voice-recognition technology. The text appears on a bright, easy-to-read display window built into CapTel. The captions appear almost simultaneously with the spoken word, allowing CapTel users to understand everything that is said – either by hearing it or by reading it.

#### **Test Evaluation**

There will be two evaluation periods July 1, 2005 – November 30, 2005 and December 1, 2005 – April 1, 2006. The 11<sup>th</sup> and 12<sup>th</sup> months will not be completely evaluated in the trial in order for the data to be compiled before the end of the fiscal year. This deadline allows opportunity to reach a decision regarding the possibility of full implementation of the program for the 2006-2007 fiscal year. The evaluation instruments will be developed by the SCTEDP in conjunction with ORS to establish the usefulness of the service and product within the first three months of the program.

In order to limit the overall cost of adding this service and equipment, the trial will be limited to a maximum of five phones per month for the first 10 months of the trial. No phones are planned to be added for months 11 and 12 thereby allowing inclusion of all data for equipment distributed while allowing continuance of service for this equipment during the time a decision is reached. Only minutes of use data will be collected for month 11. Data for month 12 will be irrelevant to the full implementation decision process and will not be included in the summary report.

**NOTE: Funds for this proposal will come from existing programs.**

### Cost Estimates

#### Equipment:

Price per Phone:      \$350 each x 5 phones per month = \$1,750

July, 2005	\$1,750
August, 2005	\$1,750
September, 2005	\$1,750
October, 2005	\$1,750
November, 2005	\$1,750
December, 2005	\$1,750
January, 2006	\$1,750
February, 2006	\$1,750
March, 2006	\$1,750
April, 2006	<u>\$1,750</u>

TOTAL EQUIPMENT:      \$17,500

#### Service:

Service costs are estimated by using the # of phones x estimated # of minutes per phone x \$ per minute

Month	# of Phones	# of Minutes Per Phone	Rate / Minute	Total / Month
July, 2005	5 X	100 X	1.61	\$805
August, 2005	10 X	100 X	1.61	\$1,610
September, 2005	15 X	100 X	1.61	\$2,415
October, 2005	20 X	100 X	1.61	\$3,220
November, 2005	25 X	100 X	1.61	\$4,025
December, 2005	30 X	100 X	1.61	\$4,830
January, 2006	35 X	100 X	1.61	\$5,635
February, 2006	40 X	100 X	1.61	\$6,440
March, 2006	45 X	100 X	1.61	\$7,245
April, 2006	50 X	100 X	1.61	\$8,050
May, 2006	50 X	100 X	1.61	\$8,050
June, 2006	50 X	100 X	1.61	<u>\$8,050</u>

TOTAL SERVICE:      \$60,375